

## Message Text

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ACTION ARA-14

INFO OCT-01 EUR-12 IO-13 ISO-00 CIAE-00 DODE-00 PM-05

H-01 INR-10 L-03 NSAE-00 NSC-05 PA-01 SP-02

SS-15 USIA-06 TRSE-00 AID-05 EB-08 AGRE-00 DLOS-09

INT-05 DOE-11 SOE-02 HA-05 SIL-01 LAB-04 FRB-03

COME-00 OMB-01 ACDA-12 OPIC-03 OES-07 /164 W

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R 161839Z MAR 78

FM AMEMBASSY PARAMARIBO

TO SECSTATE WASHDC 4157

INFO AMEMBASSY BRASILIA

AMEMBASSY GEORGETOWN

AMCONSUL MARTINIQUE

AMEMBASSY PARIS

AMEMBASSY PORT OF SPAIN

AMEMBASSY THE HAGUE

USMISSION USUN NEW YORK

AMEMBASSY CARACAE

C O N F I D E N T I A L SECTION 1 OF 2 PARAMARIBO 388

E.O. 11652: GDS

TAGS: PGOV PDEV ECON SHUM NS

SUBJ: PRIME MINISTER DELIVERS STATE OF THE NATION ADDRESS

SUMMARY: THE ARRON GOVERNMENT'S LONG-AWATED POLICY STATEMENT HAS AT LAST BEEN DELIVERED TO PARLIAMENT, A MONTH LATE AND WITH FEW, IF ANY SURPRISES. IN OMST FOREIGN POLICY AREAS, WE CAN EXPECT A CONTINUATION OF SURINAM'S POLICY OF CAUTIOUS INTEGRATION INTO THE WESTERN HEMISPHERE AND EXPLORATION OF ITS APPROPRIATE INTERNATIONAL ROLE. ON THE DOMESTIC SIDE, THERE ARE PROBLEMS, PROPOSED SOLUTIONS AND GOOD INTENTIONS, BUT WHETHER THE NECESSARY WILL AND CAPACITY OF THE GOS TO DELIVERY EXISTS REMAINS UNDERTAIN. END SUMMARY.

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1. IN HIS FIRST PUBLIC APPEARANCE SINCE HIS HOSPITALIZATION, PRESUMABLY FOR A HEART ATTACK MORE THAN A MONTH AGO, PRIME MINISTER ARRON DELIVERED HIS NEW GOVERNMENT'S POLICY DELCARATION (EQUIVALENT TO THE STATE OF THE UNION ADDRESS, BUT OFFERED ONLY ONCE IN A GOVERNMENT'S TERM) BEFORE SURINAM'S PARLIAMENT MARCH 15, EXACTLY A MONTH AFTER IT HAD BEEN

SCHEDULED FOR PRESENTATION ORIGINALLY. THE THIRTY-FIVE PAGE DOCUMENT CONSISTS MOSTLY OF GENERALITIES AND IS HEAVILY ORIENTED TOWARD DOMESTIC POLICY AND OBJECTIVES. IT PURPORTS TO OUTLINE GOS PRIORITIES AND GOALS FOR A PROJECTED FOUR-YEAR PERIOD UNTIL 1981, BUT IT IS FLEXIBLE ENOUGH IN ITS APPROACH FOR THE GOS TO RETAIN WIDE LATITUDE IN ADJUSTING ITS SPECIFIC AFTS AS CIRCUMSTANCES CHANGES.

2. ARRON ESTABLISHES EARLY IN THE DECLARATION THAT THE CENTRAL AIM OF THE GOVERNMENT IS THE ACHIEVEMENT OF NATIONAL ECONOMIC INDEPENDENCE THROUGH THE EXECUTION OF A VIGOROUS DEVELOPMENT POLICY CENTERED ON STRENGTHENING THE ECONOMY, INCREASING JOB OPPORTUNITIES, IMPROVING LIVING CONDITIONS OF THE ENTIRE POPULATION, AND REGIONAL SPREADING OF DEVELOPMENT ACTIVITIES. HIS CLARION CALL FOR THE PARTICIPATION OF EVERY SURINAMER IN THE DEVELOPMENT PROCESS (INSISTING ON THE OBLIGATION OF EVERY SURINAMER TO LEND HIS CAPABILITIES TO THIS TASK) HAS BEEN HEARD ON NUMEROUS PREVIOUS OCCASIONS--WITHOUT NOTICEABLE EFFECT. NONETHELESS, ARRON VIEWS ESPECIALLY AGRICULTURE, FISHERIES, FORESTRY, MINING AND ENERGY AS PROMISING DEVELOPMENTAL SECTORS.

3. IN OTHER PARTS OF THE DECLARATION, ARRON REITERATES HIS GOVERNMENT'S COMMITMENT TO PROMOTION  
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AND PROTECTION OF HUMAN RIGHTS. HE PROMISES THAT FREEDOM OF EXPRESSION AND FREEDOM OF THE PRESS WILL BE PROTECTED, BUT GOES ON TO POINT OUT THEIR CONNECTION WITH RESPONSIBILITY, ASSERTING THEY MUST NOT BE ALLOWED TO BE MISUSED TO DAMAGE PEOPLE'S REPUTATIONS THROUGH INSINUATION AND SLANDEROUS ACCUSATIONS OR TO BE USED AS A TOOL TO SOW FEAR, INSECURITY, OR DIVISIVENESS AMONG THE PEOPLE. IN ADDITION, ARRON UNDERTAKES TO SEE TO IT THAT WOMEN IN SURINAM CAN PARTICIPATE AT ALL LEVELS OF ECONOMIC, SOCIAL, CULTURAL AND POLITICAL LIFE.

4. CONFRONTING THE ECONOMIC PROBLEMS FACED BY THE GOS, ARRON NOTES A NUMBER OF AREAS WHICH MUST BE IMPROVED, INCLUDING GROWTH OF NATIONAL PRODUCTION, PRICE STABILIZATION, EMPLOYMENT OPPORTUNITIES AND THE DIVISION OF PERSONAL INCOME. AS CENTRAL DIFFICULTIES, ARRON CITES THE CONTINUING RISE OF COSTS AND PRICES, OVERSPENDING (AND ITS NEGATIVE IMPACT ON THE BALANCE OF PAYMENTS) AND A SHORTAGE OF GOVERNMENT FINANCES. TO DEAL WITH THESE "STAGNATING INFLUENCES," ARRON PROPOSES TO SLOW DOWN THE GROWTH OF SPENDING,

ESPECIALLY THAT FOR IMPORTED GOODS, AS WELL AS MODERATE WAGE INCREASES, PUT QUANTITATIVE LIMITS ON IMPORTS OF NON-ESSENTIAL CONSUMER GOODS, STIMULATE LOCAL PRODUCTION, INTRODUCE NEW INDIRECT TAXES TO LIMIT DEMAND FOR LUXURY GOODS, AND IMPROVE THE CENTRAL BANK'S CONTROL OVER FOREIGN EXCHANGE. IN ADDITION, ARRON PROMISES BUDGET DISCIPLINE AND EFFORTS TO ACHIEVE A BALANCED BUDGET, CONVERSION OF SHORT-TERM LOANS INTO LONG-TERM OBLIGATIONS, CREATION OF A SPECIAL DEVELOPMENT FUND OUT OF REVENUES ACCRUING FROM THE BAUXITE LEVY, AND A HALT TO THE GROWTH OF THE CIVIL SERVICE THROUGH A HIRING FREEZE AND BY RETRAINING GOVERNMENT EMPLOYEES AND TRANSFERRING THEM INTO PRODUCTIVE ENTERPRISE. CONFIDENTIAL

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5. ARRON ALSO ADDRESSES THE BROAD OUTLINES OF SURINAM'S FOREIGN POLICY IN THE DECLARATION, REAFFIRMING A POLICY OF FRIENDSHIP WITH ALL THE WORLD'S PEOPLES ON THE BASIS OF FREEDOM, EQUALITY, BROTHERHOOD AND HUMAN SOLIDARITY, HIGHLIGHTING THE SPECIAL CONNECTIONS TYING SURINAM TO THE THIRD WORLD, ESPECIALLY IN ITS OWN REGION. THE GOVERNMENT, CONTINUES ARRON, WANTS TO STRENGTHEN COOPERATION WITH THE COUNTRIES OF LATIN AMERICAN AND THE CARIBBEAN AREA, AND PROMOTE REGIONAL INTEGRATION BY ENTERING INTO DIPLOMATIC RELATIONS WITH ALL THOSE COUNTRIES.

6. WITH REGARD TO SURINAM'S IMMEDIATE NEIGHBORS, THE DECLARATION STATES THAT DURING THE NEW GOVERNMENT'S TERM OF OFFICE, DISCUSSIONS WITH FRANCE AND GUYANA, CONCERNING SURINAM'S EASTERN AND WESTERN BORDERS RESPECTIVELY, WILL BE CONTINUED AND COMPLETED AS MUCH AS POSSIBLE. TALKS WITH FRANCE ARE SAID TO BE IN A "FAR-ADVANCED" STAGE, AND ARRON FORECASTS PRESENTATION TO PARLIAMENT OF TWO TREATIES ON THE EASTERN BORDER AND ECONOMIC COOPERATION WITH FRANCE IN THE NEAR FUTURE. REGARDING FISHERIES QUESTIONS, ARRON SAYS THAT DISCUSSIONS WITH THE COUNTRIES INVOLVED (BRAZIL, GUYANA, VENEZUELA, FRENCH GUIANA, BARBADOS AND TRINIDAD) WILL SOON BE INITIATED.

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R 161839Z MAR 78  
FM AMEMBASSY PARAMARIBO  
TO SECSTATE WASHDC 0000  
INFO AMEMBASSY BRASILIA  
AMEMBASSY GEORGETOWN  
AMCONSUL MARTINIQUE  
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7. ON GENERAL INTERNATIONAL ISSUES, ARRON UNDERLINES SURINAM'S INSISTENCE ON THE IMPORTANCE OF RESPECT FOR HUMAN RIGHTS AND REJECTION OF RACISM, DISCRIMINATION, AND APARTHEID, ADDING THAT HUMAN RIGHTS AND FREEDOMS ARE INDIVISIBLE AND VIOLATION OF THESE RIGHTS AND FREEDOMS AFFECTS EVERYONE IN THE WORLD. IN THE CONTEXT OF THESE BELIEFS, ARRON NOTES THAT SURINAM HAS ALREADY RATIFIED THE INTERNATIONAL COVENANT ON CIVIL AND POLITICAL RIGHTS AND DECLARES THAT SURINAM WILL IN THE NEAR FUTURE ACCEDE TO THE INTER-AMERICAN CONVENTION ON HUMAN RIGHTS.

8. ARRON ALSO DISCUSSES DISARMAMENT AND INTERNATIONAL PEACE AND SECURITY IN THE DECLARATION, AFFIRMING SURINAM'S SUPPORT FOR NUCLEAR-FREE ZONES AND A REDUCTION IN MILITARY EXPENDITURES, WITH A PORTION OF THE  
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RESULTING SAVINGS BEING DEVOTED TO ECONOMIC DEVELOPMENT, PARTICULARLY IN DEVELOPING COUNTRIES. FURTHER, ARRON REITERATES SURINAM'S VIEW THAT THE INTERNATIONAL ECONOMIC SYSTEM IS UNACCEPTABLE AND UNJUST AND THAT A NEW INTERNATIONAL ECONOMIC ORDER MUST SPEEDILY COME INTO EXISTENCE.

9. ON DEFENSE MATTERS, THE DECLARATION ANNOUNCES THAT A DEFENSE COUNCIL WILL BE FORMED TO IMPROVE CONTINUITY IN POLICY AND ADVICE. IN ADDITION, THE QUESTION OF MEMBERSHIP IN THE INTER-AMERICAN DEFENSE BOARD WILL BE STUDIED SERIOUSLY AND CONTACTS WITH THE CONSEIL INTERNATIONAL DU SPORT MILITAIRE WILL BE CONTINUED.

10. THE DECLARATION PROMISES A CONTINUATION OF INVESTMENT POLICIES SET FORTH IN THE BASIC 1960 INVESTMENT ORDINANCE AND A REMOVAL OF ADMINISTRATIVE OBSTACLES TO ATTRACTING INVESTMENT. EFFORTS WILL ALSO BE CONTINUED TO INVOLVE LOCAL INVESTORS IN ANY FOREIGN INVESTMENTS WHICH MAY BE UNDERTAKEN.

11. IN A SECTION DEVOTED TO SURINAM'S IMPORTANT MINING SECTOR, ARRON TAKES CREDIT FOR INCREASING THE GOVERNMENT'S SHARE OF INCOME THROUGH INSTITUTION OF THE BAUXITE LEVY AND AGREEMENTS FOR MINIMUM PRODUCTION LEVELS. FURTHER REGULATION OF THE INDUSTRY IS PREDICTED FOR THE FUTURE WITH THE AIM OF GREATER INTEGRATION OF THE MULTINATIONALS' ACTIVITIES WITH SURINAM'S SOCIETY AS WELL AS CONTROL OVER THE LEVEL OF PRODUCTION. NONETHELESS, ARRON NOTES WHAT HE CALLS COMPARATIVE ADVANTAGES WHICH SURINAM NOW HAS, INCLUDING THE POLITICAL CLIMATE, SOCIAL AND EDUCATIONAL

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INFRASTRUCTURE, PHYSICAL INFRASTRUCTURE AND AVAILABILITY OF HYDROELECTRIC RESOURCES, AND STATES THAT THE GOS WILL PAY SPECIAL ATTENTION TO MAINTAINING SURINAM'S "RELATIVELY GOOD POSITION" IN THE WORLD WITH RESPECT TO BAUXITE MINING AND PROCESSING BY CONSCIOUSLY INCREASING THE COMPARATIVE ADVANTAGES HE SAYS SURINAM NOW ENJOYS. THE INTERNATIONAL BAUXITE ASSOCIATION HE FINDS STILL PROMISING IN SPITE OF GROWING PAINS IN ITS EARLY YEARS, CITING THREE RECENT UNANIMOUS AGREEMENT ON A MINIMUM PRICE FOR BAUXITE OF A UNIFORM QUALITY AS JUSTIFYING THIS OPTIMISM.

12. COMMENT: GOVERNMENT DECLARATION SOUNDS TO US LIKE MORE OF THE SAME AND WE ARE AT A LOSS TO FIND ANY SUBSTANTIAL SURPRISES. MOST SURINAMERS WILL LIKELY APPLAUD THE GOVERNMENT'S GOOD INTENTIONS, BUT WE SHARE WHAT WILL PROBABLY BE THEIR EQUAL SKEPTICISM ABOUT THE ABILITY OF THE GOS TO FOLLOW THROUGH. THAT WILL DEPEND ON THE VIGOR WITH WHICH THE GOS APPROACHES THE DIFFICULT TASKS IT HAS SET OUT FOR ITSELF, THE WILLINGNESS OF THE HALF OF SURINAM'S VOTERS WHO SUPPORTED THE POSITION IN THE OCTOBER ELECTION

TO COOPERATE AND, IN FACT, ON WHETHER THE ARRON CABINET  
WILL LAST A FULL FOUR YEARS. IT IS MUCH TOO SOON  
TO DRAW CONCLUSIONS ON ANY OF THESE POINTS: SUFFICE  
IT TO SAY THAT MANY HAVE THEIR DOUBTS.  
ZURHELLEN

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## Message Attributes

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